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Branding on the Internet — Moving from a communications to a relationship approach to branding

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Abstract

This paper focuses on the impact that the Internet has had on our beliefs about branding. It argues that the basic principles of branding have changed very little as a result of this new technology and channel. However, it has highlighted a shift in emphasis from the belief that 'branding is all about communications' to the belief that real branding is about creating relationships with customers (and also with employees) that they value, and is therefore more than just about communications. The Internet offers us the opportunity to create a genuine two-way dialogue, not only with customers but also with employees, and in the process to be able to live up to the brand's promise.

On sitting down to write this opinion piece, the author had more difficulty than usual in finding a way in to discuss the subject of branding on the Internet. Why are we still asking questions about this, as if branding on the Internet was somehow different from branding in any other medium? Was this paper expected to come up with 'ten easy-to-follow rules about how to brand effectively on the Net' or 'the five most common mistakes that lead to failure' (the Net is a great place for lists!). The more one thinks about it, the more one comes to the conclusion that while there are some issues to be aware of from a technical point of view, there are no real differences in how you brand in the online world from how you brand offline. What more is there to say? Despite the dot.com slump, actual usage of the Internet is increasing and expectations of e-commerce growth are bullish. In the UK, 37 per cent of households and 45 per cent of the population have Internet access. By 2004, Forrester Research estimate that e-commerce worldwide will be worth \$6,789trn (Figure 1).

And yet there are some lessons still to be learned, and they all revolve around the central and important question 'What do you think branding is primarily about?' Close your eyes and think about that question. What was your first response?

What do you think branding is all about?

Did you immediately start to think of advertising? Is branding about building awareness, having a well-known name or a clear identity, consistent communications and marketing to the consumer? Or did you

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Figure 1: Worldwide e-commerce growth
Source: Forrester Research

**Branding =
communication vs
branding = valuable
relationships**

think about emotional connecting points that transcend the product? Or about creating relationships that people will value?

How you responded to the question will determine how you approach the tricky issue of brand creation (online or offline). It will determine whether or not you focus on the communication messages or focus on the delivery mechanism. It will determine whether or not you spend more time on the brand name than on satisfying the customer. It will determine whether you think mainly about consumer marketing or, additionally, marketing to your employees.

There has been a sea change in branding (Figure 2). For a long time branding equalled communications; it became the preserve of the advertising agencies, which with their clients built up long-term, memorable brand icons of the likes of the Marlboro Man and the Jolly

Figure 2: How ideas about branding have developed
Source: the lab 2001

Green Giant. The focus was on creating visual identities such that the name, the logo and the associated symbols were instantly identifiable. The core messages were determined by the client and pushed out to passive consumers as often as was necessary to make the ideas stick and, with luck, if the messages were resonant, they could remain for many years (think of the Oxo family). As new media became available, the trick was to find new ways of sending out the same messages in new channels without changing the core idea.

But then it got more complicated. By the late 1960s and early 1970s companies had often developed broad brand portfolios, and consumers were faced with even greater choice and were becoming less passive (a trend massively accelerated by the coming of the Internet a decade later).

It was at this point that companies really began to think about the long-term vision for their brands and reviewed their brand architectures. People came to think of branding as more than just a set of physical icons — as a set of rational and emotional attributes that had to be defined, managed and nurtured, though the idea remained that the paying customer could be told what to think about the brand and would act accordingly.

The arrival of the Internet provoked a storm of articles about why branding had to reflect the customer experience, and detailed how, through the website, people could experience more immediately what the brand was all about. Branding was felt to be more transparent on the Internet, and the shift in consumer interaction dynamics was likely to make the experience itself a critical one (Figure 3). Here the discussion was all about making the online experience easy and accessible for consumers, but essentially it was still focusing on the communications aspect.

Branding is more transparent on the Internet

Figure 3: The online experience

Consider *all* the relationships the brand has with stakeholders

The debate is now moving into a new phase, which we refer to as ‘branding equals building valued relationships’.

All of the previous phases were valid — and remain so. But there was still a problem that was not being properly addressed. All the previous phases saw the transaction as a one-way street — the company continued to tell people what they should think about the brand. But the very existence of the Internet has made this more and more difficult as people have much greater access to information. The key now is to consider *all* the relationships that the brand has with stakeholders (customers, employees, partners, the financial community etc), and to understand what is valuable in those relationships and make an emotional connection with each group about the things that they value (not, as in the past, about the things that the company values). The implications of this change in emphasis are radical and will be discussed later. But let us first address some of the problems that occur when the ‘branding equals communications’ equation is the one which dominates.

Problems associated with the branding equals communications equation

Operations and the experience must live up to the brand promise

In the early days of the dot.com boom talk about building brands was all the rage. Every self-respecting start-up spent literally millions on choosing a snappy (but often irrelevant) name and building name awareness. Back in 2000, companies such as TheTrainline.com and Letsbuyit.com were spending between £300,000 and £500,000 each in one week alone. This was far in excess of what some of the more conventional advertisers were spending. The assumption seems to have been that name awareness was a priority (it was), but also that it was more important than getting the operational experience right because companies seemed to believe that the excitement of buying online was enough in itself to keep customers coming back. But customers are not idiots, and if the real live experience of purchasing goods is not as easy or accessible (never mind the right price) as more conventional routes, then they will not return. The now demised Boo.com, a sports clothes retailer, learned the hard way. Even today, the three most common reasons for not purchasing over the Internet, according to GUV, are given as ease of use, navigation and privacy. Interestingly, some of the old offline companies fared better on the Net than the new online upstarts. Tesco, after some initial teething troubles, has expanded its Internet ordering and delivery service so that it is now the biggest online grocery retailer in the world. Their success has been because they not only managed to make the ordering experience relatively simple (the site went through various phases before they got it right) but also because the experience of receiving the goods was operationally smooth. SimplyOrganic.com (a relatively small online grocery specialist) has also succeeded in making their site quick to use and easy to navigate, combined with operational excellence, which is hard to beat.

A relationship is a two-way dialogue

The branding equals valuable relationships equation

In the end, real branding is about creating relationships with customers (and also with employees) that they value, and is therefore more than just about the communications.

Successful operations such as Dell have understood this, and the Internet has enabled them to leverage and build on these relationships better (and more immediately) than many other media. For example, the customer specifies what he or she wants and Dell deliver it. They do not spend a fortune on advertising and promotions, and the customer gets what he wants at a better price.

A relationship implies a two-way dialogue. Old-fashioned marketing and branding that focused on communications was a one-way street. The product was made and then customers were informed; there was no opportunity for a discussion. In his influential book *Right Side Up*,¹ Alan Mitchell writes that ‘with the arrival of the information age, the familiar seller-centric world is being turned upside down’ and that ‘tomorrow’s superbrands won’t be those who simply apply the latest marketing tools but the ones who invent brand new win-win systems’.

A different type of example of building valued relationships is highlighted by the sportswear company, Patagonia. Patagonia’s brand mission, which is clearly stated on their website, is ‘environmentally conscious makers of quality outdoor clothing’ (Figure 4).

This brand mission runs through the company like the name through a stick of rock, and pervades everything that they do. Note that they feature a regular environmental charity to which a proportion of their profits are

Figure 4: The Patagonia website
© Patagonia Inc., 2002

**First understand
customer needs . . .**

**. . . then define the
brand promise . . .**

. . . then live up to it

sent; the materials are environmentally sound; the employees in the stores are often specialists or enthusiasts in a specific sports field. The website reflects this and provides an opportunity to take feedback from their customers. Patagonia undertakes little or no advertising or promotions activity, and yet they have been able to build a strong brand.

This example highlights the main point of this paper: that the real focus for branding must be first on understanding the customers' real needs, developing the service and product to meet these needs, defining the brand promise around them and then living up to that brand promise. The Internet just makes all this much more *transparent*.

The whole process, from downloading and navigating the site through all the fulfilment and delivery, is visible to the consumer and says something about the way you deliver on your (even implicit) brand promise.

This begins with the way you market to and target potential customers (what you communicate). Once people have accessed your site they need to be able to navigate their way around it easily and quickly and be able to register without it taking up too much time or asking for unnecessary information. Once they have registered and decided to buy, consumers must feel that any financial transaction is safe and private, and they will expect the goods to be delivered on time, at a time and place which is convenient and with the right items. Should there be a problem, after-sales service needs to be exemplary. All these activities are representative of your brand's promise. It was not that these activities did not occur offline, but that online they are more transparent and very much faster.

The implications of thinking about branding in this way

There are a number of fundamental implications of approaching branding as a means to build relationships rather than just being a guide to communications.

Branding to employees

The first and perhaps most radical implication is that branding activity is required for employees as much as it is for customers. In July 2001, the *New York Times* wrote that 'companies are painfully aware that sending the right message to their employees is just as important as making a good impression with customers, vendors and investors'. Branding is not just about image and advertising. Branding is about what companies stand for, what they say and what they do. It is human beings who ultimately have to deliver the brands and therefore it is these people who need to understand and believe in the brand most. Yet virtually no time or money is expended on helping employees to do this. The brand is left in the hands of a marketing department that has no remit to stray into other areas.

During the dot.com boom the author worked with several companies which were setting up their Internet-based offerings. People from other disciplines were often involved in the discussion about what the brand should stand for, but once the decision had been made, the focus was on pumping out communications to customers. Rarely did anyone feel that it

**Human beings
deliver the brand**

was important to sell the brand vision to the people in the organisation. Of course, this can lead to severe disconnects.

We have all had experiences where purchasing online has not lived up to expectations. But how employees are enabled to deal with such problems is indicative of how the brand works in reality. Can you e-mail explaining what is needed? Will you get a quick and helpful response? Is there a telephone number to call? And once you get through, has the person you are dealing with got the authority to rectify mistakes.

In a competitive world, organisations are realising that only people can brand products or services effectively — that we are not just selling a branded product but a mass of branded people who support and deliver it.

Do you know what people value?

Living up to the brand promise — Product, operations etc

This second point is to some extent an extension of the previous one and is not new. Thinking of branding as a means of building valued relationships means ensuring that you know what it is that people value and then deliver against these expectations. This means that the product and service must live up to it in terms of quality, distribution and so on. The critical aspect here is in working out what the customer (or employee or other stakeholder) considers to be valuable as opposed to deciding what we think is valuable. Which leads to the next major implication.

Solicit feedback

Two-way communications

The Internet offers us the ability to solicit feedback genuinely from customers, to survey opinions, to deal with problems or thank customers for their loyalty. This facility is rarely used as effectively as it could be. It is common to find an ‘e-mail us’ box but it is often impersonal — it is not clear to whom the communication is going or how it will be received. However, it offers us the opportunity to begin a real dialogue with customers. Amazon.com are further down the line than most because their extensive database enables them to analyse consumer choices and tailor-make communications to users suggesting books or videos that they might like. They take this concept even further by inviting their users to participate by getting them to submit reviews on books that they have read or videos that they have seen.

Conclusions

The core principles of branding are the same online as they are offline; it is just that on the Internet the brand transactions are more transparent and immediate.

Branding is for people

As our understanding of branding has developed, it has become apparent that branding is more than just about communications, it is about the ability to build valued relationships with differing stakeholders. The Internet offers us a unique opportunity to do this because of the interactive nature of the medium. Fundamentally it enables us to find out what our customers really want, to invite feedback, to assist when there are problems and to reward then for their loyalty.

One of the major implications of the shift in our understanding of branding is that we need to brand to employees as well as to customers.

Brands are for people and have to be delivered by people. Employees represent the brand in myriad different ways and they, most of all, must understand and believe in the brand if they are to be able to deliver the brand promise. They need to have sufficient autonomy to make the right decisions on behalf of the brand. Once again, the Internet makes this transparent, and also emphasises the need for the speedy responses, as we have all come to expect immediacy from the medium.

Reference

1. Mitchell, A. S. (2001) *Right Side Up*, HarperCollins Business, London.